# RNAO submission on proposed regulatory framework for capping oil and gas sector emissions

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The Registered Nurses' Association of Ontario (RNAO) represents 51,650 registered nurses (RN), nurse practitioners (NP) and nursing students across the province. For nearly a century, the association has advocated for changes that strengthen the nursing profession and improve people's health. RNAO welcomes the opportunity to present nurses' views on the federal government's framework outlining the proposed regulatory approach for reducing emissions in Canada's oil and gas sector[1].

# Introduction

Recognizing the role that the oil and gas sector plays in our national economy and the dependence that many Canadians have on the sector for their livelihood, we applaud the government for moving forward with a regulation to cap and cut greenhouse gas (GHG) emissions from the sector. We further applaud the government for determining – based on feedback about the 2022 options paper – that the appropriate regulatory approach to reducing emissions in the sector is one that centres around a declining emissions cap[2].

RNAO continues to be concerned, however, with the lack of urgency in this process. Governments here and around the world have not only failed to slow global warming – they have presided over its acceleration. 2023 was the hottest year on record. The global average temperature for July 2023 was the highest on record –likely for at least 120,000 years – according to the United Nations weather agency and its partners[3]. Records were also broken for global sea surface temperatures in 2023[4]. Here, at home, average temperatures are rising at twice the global average – three times in the North[5].

Yet, Canada **still** lacks the regulation needed to cap emissions from its oil and gas sector, despite the promise made by the prime minister and the federal minister of the environment and climate to put such a regulation in place by the end of 2023. In October 2023, RNAO wrote an open letter to the prime minister urging him to present a draft of the promised regulation. Instead, this past December, just before their promised deadline to have a regulation in place, the government instead presented a "regulatory framework" – that is, yet another consultation document for comment. We find this perplexing.

Further, RNAO is concerned that the proposal is not stringent enough. The government's openness to a broad range of system "components" threatens to weaken the cap-and-trade regime, undermine the effectiveness of a cap, and delay its implementation. This approach also sends out a weak policy signal and a confusing message to both industry and the public. It undermines the effort needed to convince everyone, everywhere of the urgency of our circumstances and the need for a concerted response.

# Context

RNAO's view of the regulatory framework is founded on four contextual factors, described below.

## 1. The climate crisis is a health crisis

As set out in our position statement on the climate crisis, the fight to limit global warming is also a fight to protect health and life. Escalating climate emergencies result in health emergencies, as can be attested to by the tens of thousands of Canadians impacted in the summer of 2023 by Canada's worst wildfire season on record. Climate change impacts the health of Canadians in many ways every day.

Some examples:

- Temperature extremes cause more illness and death from heart attacks, heatstroke, and hypothermia. Increased temperatures are also associated with higher rates of suicide per season. They can also negatively affect those taking some psychotropic mediation due to effects on the ability to thermoregulate.
- Flooding, wildfires and other manifestations of climate change cause illness and fatalities through both immediate injury and chronic disease. Some examples:
    - Smog and wildfires lead to deterioration of outdoor air quality that causes or worsens respiratory and heart diseases, allergies, cancer and asthma. Greater heat levels also promote higher pollen counts, worsening chronic respiratory conditions such as asthma.
    - Mould caused by flooding of homes or workplaces leads to deterioration of indoor air quality that can worsen chronic respiratory conditions or have other adverse health implications over time.
- Vector-borne diseases such as West Nile virus and Lyme disease are spreading because milder winters impact the native ranges of the vectors and allow for more life cycles per season.
- Drinking water becomes unsafe.
- Food security is put into peril.

RNAO is also concerned that the climate crisis is steeply accelerating at a time in which Canada's health system is already under strain and ill-prepared to respond. Underfunding of Canadian health systems combined with severe health human resource shortages has already led to a condition that will take a significant number of years to fully remedy. In its current state, our health systems are certainly not prepared to respond to climate-related illnesses and injuries.

## 2. COP 28 and the global stocktake

Just this past December, the United Nations Climate Change Conference (COP28) closed with the first ever "global stocktake", per a requirement in the Paris Agreement for parties to review and assess implementation efforts and collective progress towards achieving the agreement's purpose and long-term.[6] The stocktake confirmed that the parties are not yet on track for achieving the central goal of the Paris Agreement – holding the increase in the global average temperature to well below 2 °C above pre-industrial levels. It reaffirmed the need for urgent action to limit the increase to 1.5 degrees within reach.

The stocktake concluded that, in order to limit global warming to 1.5 degrees with no – or limited – overshoot, "deep, rapid and sustained" reductions in global greenhouse gas emissions of 43 per cent by 2030 and 60 per cent by 2035 (relative to the 2019 level) are required with net zero carbon dioxide emissions by 2050.

## 3. Canada's progress relative to global stocktake targets

RNAO applauds the federal government for enshrining in legislation the goal of net-zero emissions by 2050. The Canadian Net-Zero Emissions Accountability Act ensures transparency and accountability as evidenced by the release of the "2030 Emissions Reduction Plan"[7] and the subsequent (and related) 2023 Progress Report[8]. RNAO is pleased to note that Canada is on target to meet that plan's interim objective of a 20 per cent reduction below 2005 levels by 2026. However, we are deeply troubled that the government only projects a reduction of 36 per cent by 2030. We note that this projection is 4–9 per

cent below the government's own 40 to 45 per cent reduction target, and six per cent off the 43 per cent target put forward in the COP 28 global stocktake.

### 4. The role of the oil and gas sector in Canada's efforts

Canada cannot meet its international commitments without capping emissions in the oil and gas sector. In 2021, the oil and gas sector was the largest source of GHG emissions in Canada, accounting for 28 per cent of total national emissions – and growing[9]. From 1990 to 2021, the sector's emissions increased by 88 per cent compared to total national emission growth of 13.9 per cent. In spite of an overall decline in total national emissions of almost 10 per cent between 2005 and 2021, emissions from Canada's oil and gas sector continued to grow.

Voluntary pledges by oil and gas industry players have yet to interrupt business as usual in the industry and materialize in significant investment in emission reductions in the sector.[10] In 2021, the Pathways Alliance – an industry group representing 95 per cent of production in Canada's oil sands – announced a plan, based largely on carbon capture technology, to reach net-zero GHG emissions by 2050. That plan yielded significant – up to 50 per cent – tax credits in the 2023 federal budget but no significant investment from the industry. In spite of record profits globally - estimated to have reached a record $152 billion in Canada in 2022 – the industry continues to postpone climate action in favour of government lobbying, "greenwashing" and promises of action down the road.

## Recommendations

### 1. Accelerate the process

**Recommendation:** Bring the emissions cap regulation into force in 2025.

**Rationale:** The promise of capping and cutting emissions in the oil and gas sector was an election promise made, originally, two-and-a-half years ago. As currently proposed, an emissions cap would not come into force until 2026 - after the next federal election, according to the fixed-date provisions of the *Canada Elections Act*. This exceedingly and unnecessarily slow process threatens Canada's ability to meet its 2030 targets.

### 2. Be ambitious

**Recommendation:** Set the 2030 emissions cap for the sector at no less than 43 per cent below current 2019 emission levels – consistent with the global stocktake commitment – to ensure that Canada meets its 2030 emission reduction target.

**Rationale:** The global stocktake expressed concern that the carbon budget consistent with achieving the Paris Agreement's temperature goals is small and rapidly depleting. An accelerated implementation of the regulation with a more ambitious target enhances Canada's chances of meeting its 2030 emission reduction target.

### 3. Cap production, too

**Recommendation:** Cap fossil fuel production in addition to emissions and eliminate the gap between the emissions cap and the "legal upper bound" of emissions.

**Rationale:** The global stocktake was clear about the need to transition away from fossil fuels. UN Climate Change Executive Secretary Simon Stiell, in his closing speech, described the stocktake as "the beginning of the end of the fossil fuel era by laying the ground for a swift, just and equitable transition, underpinned by deep emissions cuts and scaled-up finance[11]." It is now over to the government of Canada to transform the commitments made at COP28, as a responsible member of the international community, into regulation of economic activity here at home. That commitment entails an emission reduction scheme that is sufficiently stringent to preclude sector growth.

### 4. Avoid offsets and loopholes

**Recommendation:** Eliminate from consideration any components to the cap-and-trade system that provide the industry with "compliance flexibility" – or loopholes, in simpler terms. A cap on production, as recommended above, eliminates the need for components that allow emissions to exceed the cap to a proposed legal upper bound on emissions. Simplification of the regime will also assist with bringing the regulation into force in 2025.

The most obvious components to eliminate from consideration are the various forms of offset and the decarbonization fund. Mitigation of the most damaging impacts of global warming requires that real emissions be reduced. Further, capping production and eliminating such components would support a more ambitious target for the sector. According to the International Energy Agency's (IEA) global net-zero scenario for the oil and gas sector, compliance flexibility should not need to be built into the regulation: "Fortunately, oil and gas producers have a clear opportunity to address the problem of emissions from their activities through a series of ready-to-implement and cost effective [sic] measures[12]." According to the IEA, such measures are capable of halving the emissions intensity of the sector by the end of the decade for "a fraction of the record windfall income that oil and gas producers accrued in 2022[13]."

## Conclusion

RNAO welcomes the government's progress toward capping and cutting emissions in Canada's oil and gas sector. The government's next steps toward regulation of sector emissions needs to be informed, however, by the global stocktake. As recalled in the terms of the global stocktake, the outcome of the stocktake "shall inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of the [Paris] Agreement, as well as in enhancing international cooperation for climate action[14]."

In effect, the global stocktake urges the government's next steps to quicken – the message in the document is one of urgency. The rapid acceleration of global warming issues the same message – move quickly, far more quickly to close the gap between what we are doing and what needs to be done to mitigate the worst of the crisis we have created. The urgency and ambition required must be applied to Canada's largest and fastest growing emitter – the oil and gas sector. The federal government must bring to force stringent regulation to cap and cut emissions in the sector in 2025. Those regulations need to be ambitious to stay on track to meet our own 2030 emissions target and to meet commitments made to the global community.

[1] Environment and Climate Change Canada. (2023.) *A Regulatory Framework to Cap Oil and Gas Sector Greenhouse Gas Emissions.* Retrieved from: https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/oil-gas-emissions-cap/Regulatory%20Framework_OG%20Emissions%20Cap_Dec%206_full.pdf

[2] Government of Canada. (2023.) *Options to cap and cut oil and gas sector greenhouse gas emissions to achieve 2030 goals and net-zero by 2050 – discussion document.* [Internet.] Retrieved from: https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/oil-gas-emissions-cap/options-discussion-paper.html

[3] United Nations. (Aug. 8, 2023.) It's official: July 2023 was the warmest month ever recorded [Internet.] Retrieved from: https://news.un.org/en/story/2023/08/1139527

[4] See note 3 above.

[5] Environment and Climate Change Canada. (Modified on March 3, 2022.) "2030 Emissions Reduction Plan – Canada's Next Steps for Clean Air and a Strong Economy [Internet.] Retrieved from: https://www.canada.ca/en/environment-climate-change/news/2022/03/2030-emissions-reduction-plan--canadas-next-steps-for-clean-air-and-a-strong-economy.html

[6] United Nations Framework Convention on Climate Change. (2023.) "Global Stocktake." Retrieved from: https://unfccc.int/topics/global-stocktake

[7] Government of Canada. (Modified on Dec. 7, 2023.) 2030 Emissions Reduction Plan: Clean Air, Strong Economy [Internet]. Retrieved from: https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/climate-plan-overview/emissions-reduction-2030.html

[8] Government of Canada. (Modified on Dec. 7, 2023.) Executive summary of the 2023 Progress Report on the 2030 Emissions Reduction Plan [Internet.] Retrieved from: https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/climate-plan-overview/emissions-reduction-2030/2023-progress-report/executive-summary.html

[9] Environment and Climate Change Canada. (2023.) *Greenhouse Gas Emissions: Canadian Environmental Sustainability Figures.* Retrieved from: https://www.canada.ca/content/dam/eccc/documents/pdf/cesindicators/ghg-emissions/2023/greenhouse-gas-emissions-en.pdf

[10] Pembina Institute. (2022.) *Waiting to Lauch: The gap between Canadian oilsands companies' climate pledges and actions*. Retrieved from: https://www.pembina.org/reports/waiting-to-launch-2022-09-23.pdf

[11] United Nations Framework Convention on Climate Change. (Dec. 13, 2023.) COP28 Agreement Signals "Beginning of the End" of the Fossil Fuel Era [Internet.] Retrieved from: https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era

[12] International Energy Agency. (2023.) *Emissions from Oil and Gas Operations in Net Zero Transitions: A World Energy Outlook Special Report on the Oil and Gas Industry and COP28*. Retrieved from: https://www.iea.org/reports/emissions-from-oil-and-gas-operations-in-net-zero-transitions

[13] See note 11 above.

[14] See note 6 above.